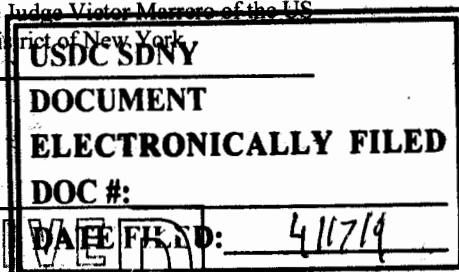
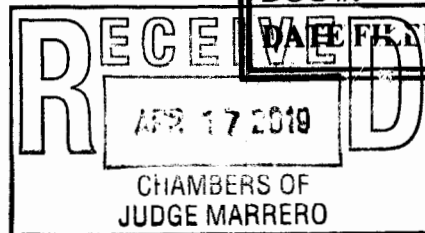


Robert W. Seiden Esq.

Court-Appointed Temporary Receiver for Link Motion Inc.
Pursuant to The Honorable Judge Victor Marrero of the US
District Court, Southern District of New York

VIA FAX (212) 805-6382

Hon. Victor Marrero
United States Courthouse
United States District Court
Southern District of New York
500 Pearl Street, Suite 1040
New York, New York 10007



April 16, 2019

Re: Interim Receiver Report (Baliga v. Link Motion Inc. et al. 1:18-cv-11642)

Dear Honorable Judge Marrero,

I write to your Honor pursuant to your February 1, 2019 Order (the "Order") to provide an interim status report. Please accept this letter as an interim report on the receivership activities to date. In addition, I respectfully request that your honor review the attached invoices of the Receiver and the Receiver's foreign counsel Kobre & Kim, LLP¹ so that payment can be disbursed.

Interim Report

Pursuant to Section 8 of your Honor's Order, set forth below is a summary of the key updates since the appointment date.

1. The Receiver has engaged foreign counsel and a small foreign accounting firm to assist in Hong Kong, China, and the Cayman Islands. Specifically, the law firm of Kobre & Kim, LLP ("Kobre & Kim") who have offices in the Cayman Islands, Hong Kong, and China and an expertise in enforcing US court orders abroad. In addition, I have engaged the accounting firm of KLC Corporate Advisory and Recovery ("KLC"), a Hong Kong-based accounting and corporate advisory firm with expertise in Hong Kong and mainland China. Both of these firms have provided invaluable and tireless effort to the Receivership to date. Both have commercially reasonable and customary hourly rates, strong compliance programs and ethical reputations.

¹ Your honor previously approved the engagement agreement of Kobre & Kim LLP in a submission dated, February 21, 2019.

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2. Upon the application made by lawyers at Kobre & Kim in Hong Kong on behalf of the Receivership, on March 5, 2019, the Hong Kong court by the Deputy High Court Judge Maurellet SC of the High Court of the Hong Kong Special Administrative Region Court of the First Instance, appointed me and Ms. Lau Wu Kwai King (aka Lauren Lau) of KLC as “joint and several receivers of the assets of the 1st Defendant [Link Motion, Inc.] in Hong Kong until further order of the Court.” The matter is captioned *In The Matter Of an application for interim relief pursuant to Section 21M of the High Court Ordinance (Cap. 4) BETWEEN Robert W. Seiden (IN HIS CAPACITY AS TEMPORARY RECEIVER OF LINK MOTION INC.). and LINK MOTION INC. [1st Defendant], VINCENT WENYONG SHI [2nd Defendant], JIA LIAN [3rd Defendant], XIAO YU [4th Defendant]*.
3. The Receiver, upon the advice of U.S. counsel recently filed a required form 6-K with the SEC in order to report that a receiver had been appointed in New York and Hong Kong over Link Motion, Inc.
4. On April 3, 2019, on advice of counsel, the Receiver filed a statutory demand on TongFang Investment Fund Series, SPC (“TongFang”) at its registered office in the Cayman Islands. TongFang owes over \$270 million on a promissory note to Link Motion, Inc.
5. The Receiver, on advice of Hong Kong counsel, notified the Hong Kong International Arbitration Centre (“HKIAC”) that a receiver has been appointed for Link Motion, Inc. in both the United States and Hong Kong. This was in response to a ongoing arbitration at the HKIAC that Link Motion, Inc. heretofore had not responded to.
6. The Receiver, upon advice of counsel, sent formal letters to government offices in China and to commercial partners of Link Motion, Inc. in the United States notifying them of the Receivership Order in the U.S. and Hong Kong.
7. The Receiver, upon the advice of counsel, has requested a stay in a Texas employment related lawsuit against Link Motion, Inc. This has been stipulated to by both sides.
8. The Receiver and his counsel are investigating a pending legal proceeding brought by Link Motion, Inc. in Brazil to determine what if any value may be gleaned from this on behalf of Link Motion, Inc. According to Brazilian counsel, Link Motion, Inc. had heretofore failed to respond to them.

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9. The Receiver sent formal letters to former and current directors and officers of Link Motion, Inc. seeking information, assistance and their compliance with the Order. Some are now assisting the work of the receivership.
10. The Receiver, upon advice of counsel, sent a formal letter to Link Motion, Inc.'s board members informing them of Vincent Shi's removal and appointment of a respected businessman (and Link Motion, Inc. shareholder), Mr. Francis Guo, as interim Chairman of Link Motion, Inc. Mr. Guo has been invaluable in assisting the Receivership, working hundreds of hours with Kobre & Kim and KLC and providing insight and information into Link Motion Inc.'s status and operations in Hong Kong and mainland China.
11. The Receiver and his lawyers have investigated the legal and operational status of Link Motion, Inc. in China and the proper means to preserve the Chinese assets and entities. The Receiver has attempted on many occasions to communicate directly or through intermediaries with Vincent Shi, but he has rebuffed every attempt.
12. The Receiver and his counsel have taken formal control of Link Motion, Inc.'s Hong Kong subsidiary and, importantly, this has been officially recognized by the Hong Kong Company Registry offices. This accomplishment was no easy task and required dozens of hours, expense and travel by several of the Receivership professionals.
13. The Receiver, upon advice of counsel, requested that certain Hong Kong and Cayman Islands banks with funds of Link Motion, Inc. freeze those accounts and remit funds to be preserved in the Receivership escrow trust account. Several of these banks have complied.
14. The Receiver has fielded many calls, emails, and letters from Company creditors.
15. The Receiver has received and responded to many texts, calls, and emails from current employees of Link Motion, Inc., most of whom have reported that Vincent Shi has or is in the process of removing computers, valuable records, files, and assets of the Company. Several have and or are willing to provide sworn statements to this effect.
16. The Receiver has fielded calls and emails from many U.S. shareholders who have expressed grave concern about the status of the company in China.

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Receivership Account and Invoices

Section 5 of your Honor's Order provides for a bank account "to fund the Receivership including the compensation and expenses of the Receiver, which are subject to the approval of the Court." The Court ordered that Link Motion, Inc. "cooperate with the Receiver in establishing and funding the Receivership Account" with a minimum balance of \$100,000. Link Motion, Inc. has not complied with this order and have provided no funds. This is a very distressing circumstance.


Section 6 of your Honor's Order specifically states: "The Receiver and his professionals shall be paid on an hourly basis at a reasonable and customary rate for such work to be approved by the Court and paid promptly out of the Receivership Estate . . . Payment of the Receiver's compensation and expenses shall have priority over all other obligations, payments, or distributions of the Company."

The Receiver respectfully requests that the attached invoices be reviewed by your Honor, and subject to your approval, permit the Receiver to disburse payment of invoices to professionals and the Receiver who have been working tirelessly on this matter since February 1, 2019. The Receiver has carefully reviewed each invoice and believes they are fair and reasonable under the circumstances. The Receiver respectfully requests this Court's approval to pay the invoices from the Link Motion, Inc. funds that have been received in the Receiver escrow trust account.

Respectfully submitted,



Robert W. Seiden, Esq.
Court-Appointed Temporary Receiver for
Link Motion, Inc.

The Clerk of Court is directed to enter into the public record of this action the letter above submitted to the Court by <i>the Court-Appointed Temporary Receiver for defendant Link Motion, Inc.</i>	
SO ORDERED.	
<u>4-17-19</u> DATE	 VICTOR MARRERO, U.S.D.J.